



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Mike Dunleavy, Governor*  
*Julie Anderson, Commissioner*  
*Robert M. Pickett, Chairman*

**Regulatory Commission of Alaska**

May 8, 2020

In reply refer to: Tariff Section  
File: TA428-32  
LO #: L2000186

Brad Janorschke  
General Manager  
Homer Electric Association, Inc.  
3977 Lake Street  
Homer, AK 99603-7680

Dear Mr. Janorschke:

Homer Electric Association, Inc. (HEA) filed TA428-32 on March 31, 2020, seeking to update its Cost of Power Adjustment and Small Facility Power Purchase Rate. On May 7, 2020, the Regulatory Commission of Alaska approved Tariff Sheet Nos. 86 and 87.1, filed March 31, 2020, by HEA with TA428-32. The effective date of the tariff sheets is April 1, 2020.

Enclosed are validated copies of the approved tariff sheets. Please note a margin notation on Tariff Sheet No. 86 has been removed in accordance with 3 AAC 48.360(g).

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

*Becki Alvey*

Becki Alvey  
Tariff Section Manager

Enclosures

cc: J.D. Draves  
Manager Rates and Regulatory Affairs  
Homer Electric Association, Inc.  
3977 Lake Street  
Homer, AK 99603-7680

RCA No. 32

One Hundred Twenty Fifth

Sheet No.

86

Canceling:

One Hundred Twenty Fourth

Sheet No.

86**RECEIVED  
MAR 31 2020**

## HOMER ELECTRIC ASSOCIATION, INC.

STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

## G. Determination of Cost of Power Adjustment (COPA)

## 1. Estimated Costs to be recovered through COPA

## (a) COPA Balancing Account

Estimated Balance at 3/31/20

(198,989) (I)

Actual Balance at 1/31/20

(1,431,479) (I)

## (b) Estimated Costs from AEEC 4/1/2020 - 6/30/2020

Source	Estimated Quantities (a)		Effective Rate (b)	Cost (a*b)	
Fuel From Hilcorp Gas Supply Agreement (1/2020-3/2024)	901,657	Mcf	7.51000	6,771,444	(R)
Fuel From Furie Gas Supply Agreement	0	Mcf	7.04000	0	
Estimated Fuel Transportation Cost	0	Mcf	0.23780	0	
KBPL Transportation Cost	901,657	Mcf	0.37060	334,154	(R)
Enstar Transportation	45,761	Mcf	0.16050	7,345	(R)
Enstar Transportation		Mcf	0.00000	0	
Enstar Transportation		Mcf	0.00000	0	
Enstar Fixed Service				37,840	
Transportation Cost From Storage	0	Mcf	0.37060	0	(R)
Fuel Withdrawn from Storage	0	Mcf	7.31200	0	(R)
Capacity Storage Fee				27,434	
Reservation Storage Fee				98,149	
Fuel for Seldovia & Pt Graham Generation	0	Gal	0	0	
Total Fuel Credit & Steam Rights from AEEC				86,667	
Alaska Energy Authority				870,546	
Purchased Power from Other Sources				0	
Spot Purchase of Natural Gas				0	

## (c) Revenues from Economy Energy Sales

0

## (d) Credit for billings to Special Contracts\*\* (Total bills less contributions to fixed costs)

(1,408,282) (R)

## (e) Total [(a) + (b) + (c) + (d)]

6,626,308 (I)

## 2. Estimated Sales to Non-Contract Customers

85,309,686 (R)

## 3. COPA billed to Non-Contract Customers

(1)/(2) 0.07767 (I)

\*\*SPECIAL CONTRACTS WITH TESORO

Tariff Advice No.

428-32

Effective

April 1, 2020

Issued By:

HOMER ELECTRIC ASSOCIATION, INC.Lake Street, Homer, Alaska 99603

By:

  
Bradley P. JanorschkeTitle: General Manager

RCA No. 32

Twenty First Revision

Sheet No.

87.1

Canceling:

Twentieth Revision

Sheet No.

87.1

**RECEIVED****MAR 31 2020**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**HOMER ELECTRIC ASSOCIATION, INC.**SCHEDULE NUMBER 9  
SMALL FACILITY POWER PURCHASE RATE (SFPPR)  
(continued)SFPPR CALCULATION

## Normal Operating Conditions

A. Fuel and expense associated with power purchased from AEEC:	\$ 7,042,675	(I)
B. Purchased power expense from Inter-Utility Purchases:	\$ -	
C. Total of all kWh generated by AEEC & Inter-Utility Purchases:	70,855,650 kWh	(I)
D. Variable expense associated with AEEC:	0.0079 \$/kWh	(R)
E. % of time in Normal Operating Condition during reporting period:	46.4%	(I)
F. Normal Condition portion of SFPPR = (((A + B) / C) + D) x E:	0.0497 \$/kWh	(I)

## Islanded Operation Conditions

G. 5-Year Average Bradley Lake Cost of Power:	0.04977 \$/kWh	(I)
H. % of time in Islanded Operating Conditions during reporting period:	53.6%	(R)
I. Islanded Condition portion of SFPPR = (G x H):	0.0267 \$/kWh	(R)

## Consolidated SFPPR

J. Total power purchased and generated:	131,068,976 kWh	(I)
K. Total power sold:	117,910,758 kWh	(I)
L. SFPPR = (F + I) / (K / J):	8.496 ¢/kWh	(I)

DEFINITIONS

1. Fuel and expense: Fuel, fuel withdrawn from storage, and relevant variable transportation costs related to AEEC
2. Variable Expense: Allocation of operation and maintenance expenses that vary based upon the amount of power produced by AEEC.
3. Normal Condition: The typical operating status of the Association in which AEEC or Inter-Utility purchases are used to follow customer load.
4. Islanded Condition: An atypical operating status in which the Association is not interconnected with other
5. 5-Year Average Bradley Lake Cost of Power: The 5-year average is used to stabilize the SFPPR, as HEA pays a fixed cost for Bradley expenses each month, while the quantity of power delivered varies.

Tariff Advice No: TA428-32

Effective: April 1, 2020

Issued By:

**HOMER ELECTRIC ASSOCIATION, INC.**

3977 Lake Street, Homer, Alaska 99603

By:

  
 Bradley P. Janorschke

Title: General Manager